

THE SHIFTING ROLE OF TRUST & FINANCIAL WELLBEING

**REBA INNOVATION DAY
LONDON
28 NOV 2019**



**SALARY
FINANCE**

Salary Finance's mission

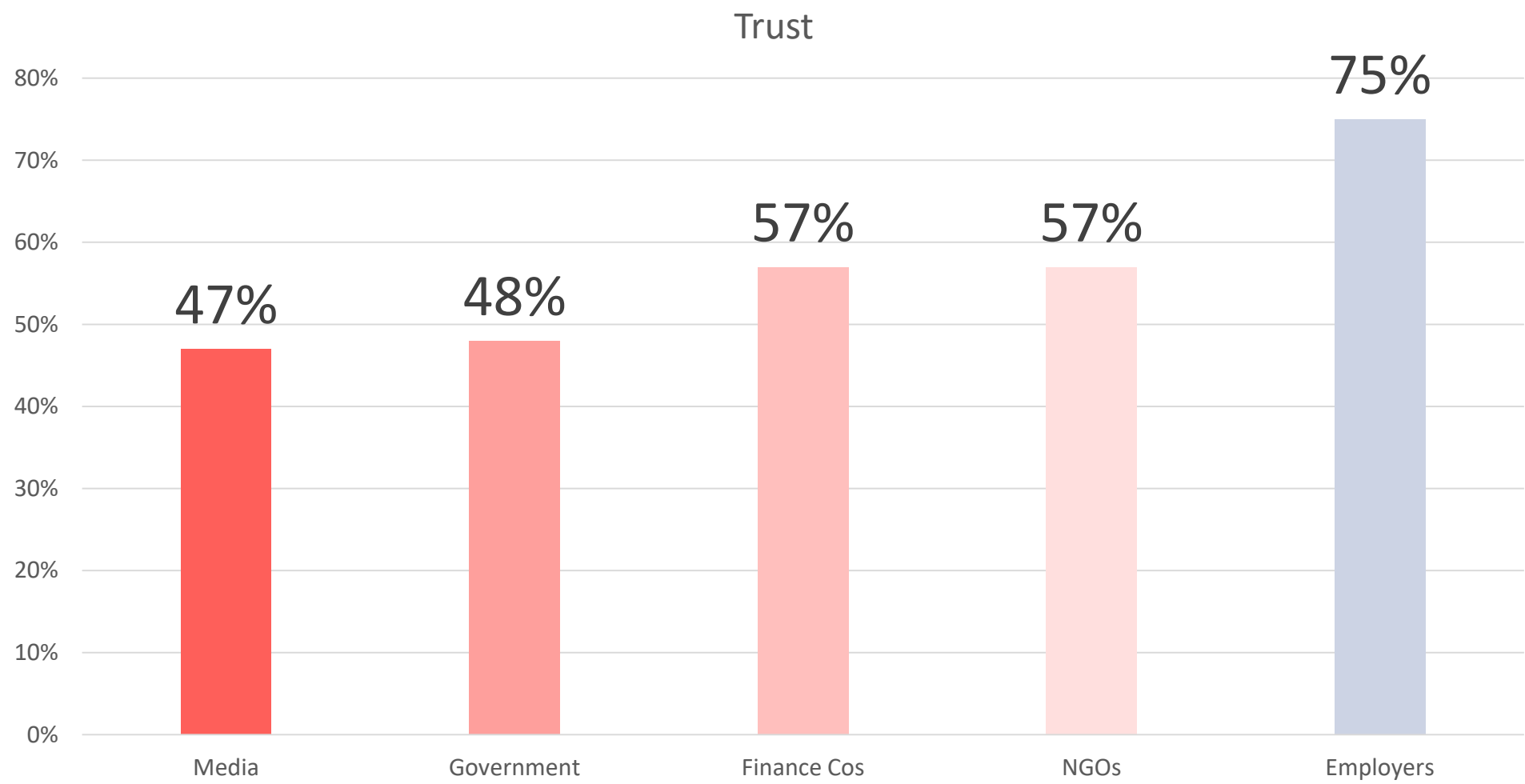
To help millions of people around the world become financially healthier and happier

By helping organisations develop strategies and implement salary-linked benefits to improve employee financial wellbeing



Responsible
Business of the Year
2018

The Edelman Trust Barometer



Employers are trusted to provide certainty : not media, nor government

I look to my employer to be a trustworthy source of information about social and other important issues on which there is not general agreement



72%

The Global Economy



58%

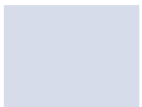
Technology

Employee expectations now include societal change



Strong Expectation

You would have to pay me a lot more if my employer didn't offer me this

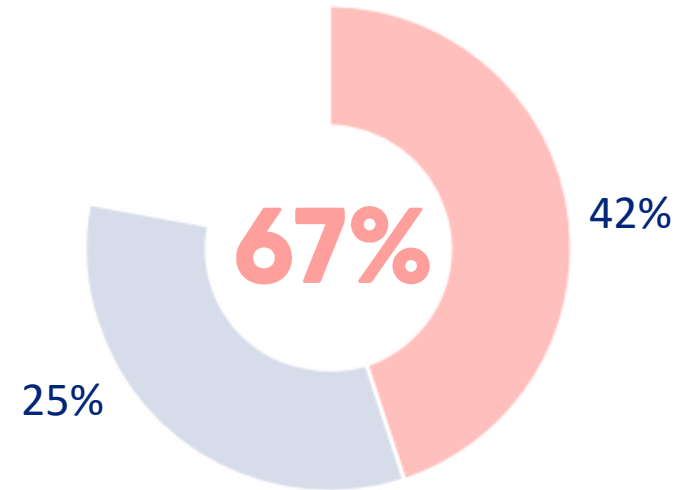
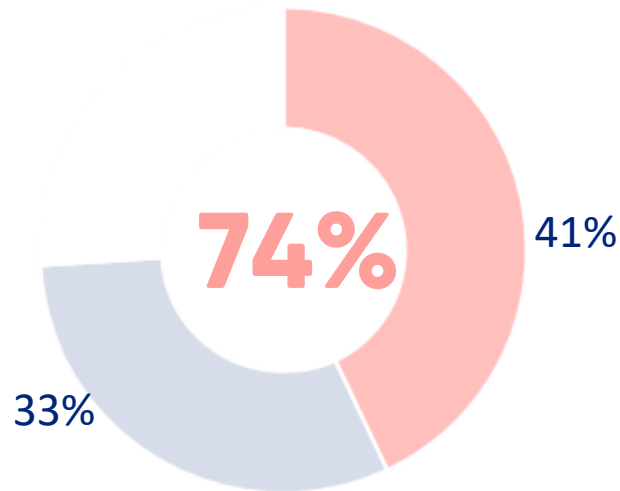


Deal Breaker

I would never work for an employer who doesn't offer this

Shared Action

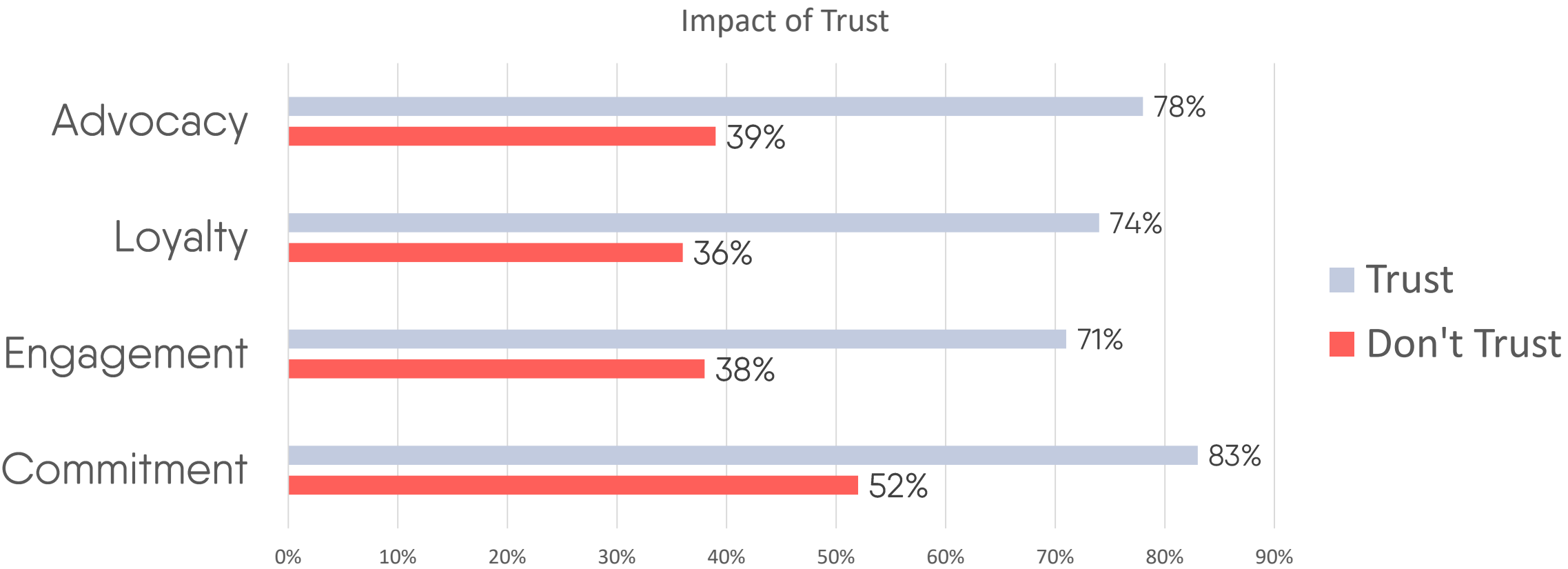
My employer has a greater purpose, and my job has a meaningful societal impact



Personal Empowerment

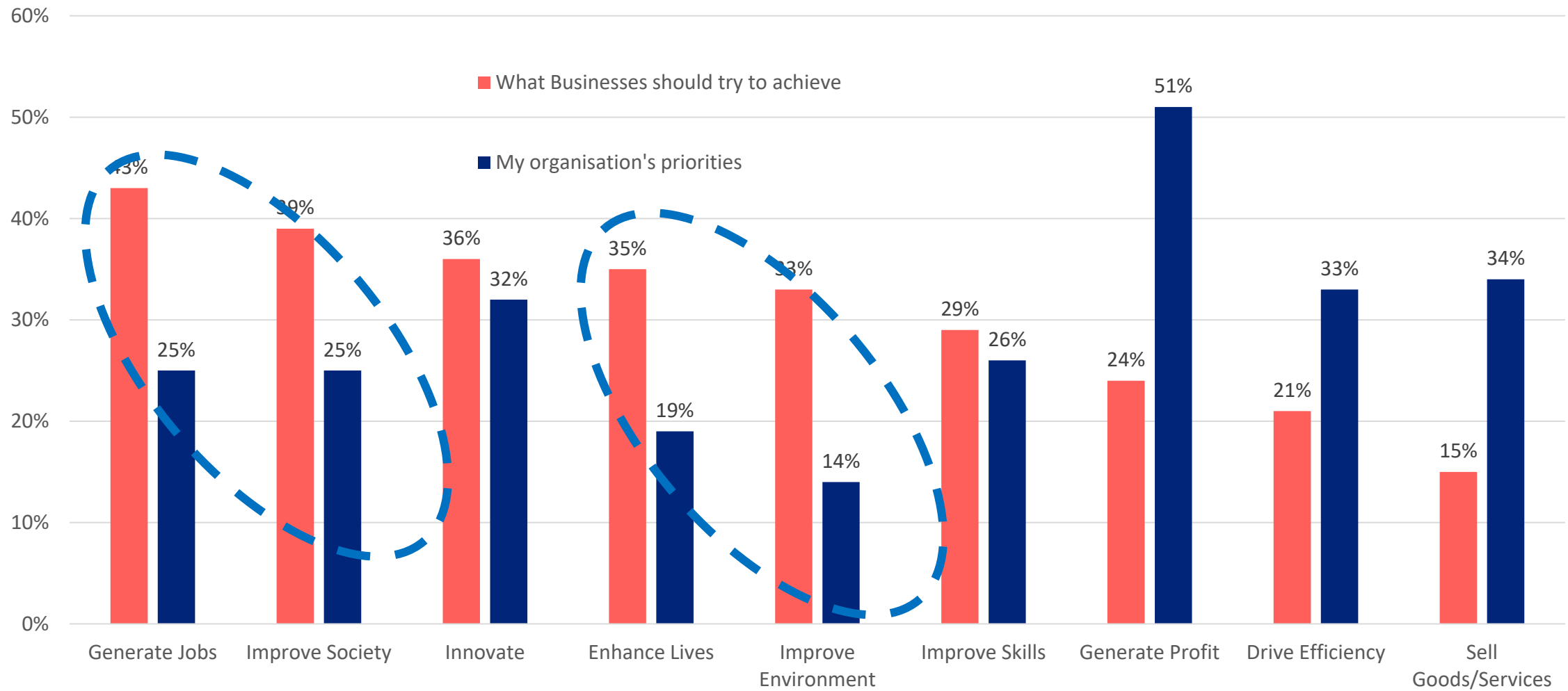
I know what is going on , I am part of the planning process , and I have a voice in key decisions; the culture is values-driven and inclusive

Employee Trust Cements the Employer-Employee Partnership



Millennials want employers to do more

Percent of Millennials who say....



Building Trust with Employees

- Professional Development
- CSR
- Physical Wellbeing
- Mental Health
- Financial Wellbeing





A yellow parking charge notice is placed on a dark asphalt surface. The text on the notice includes "PARKING CHARGE", "WARNING", and "INTERFERE".

School Trips

Parking Tickets

Car Road Tax

Cable TV Contracts

Monthly Gym fees

TV Licence

Mobile phone contract

Utility bills

MOT

Child Maintenance

Broadband contracts

Car/ Household

Insurance

HOUSE PRICES & WAGES

1995

Avg Salary	£19,270
Avg House Price	£51,633
Multiple	2.7x

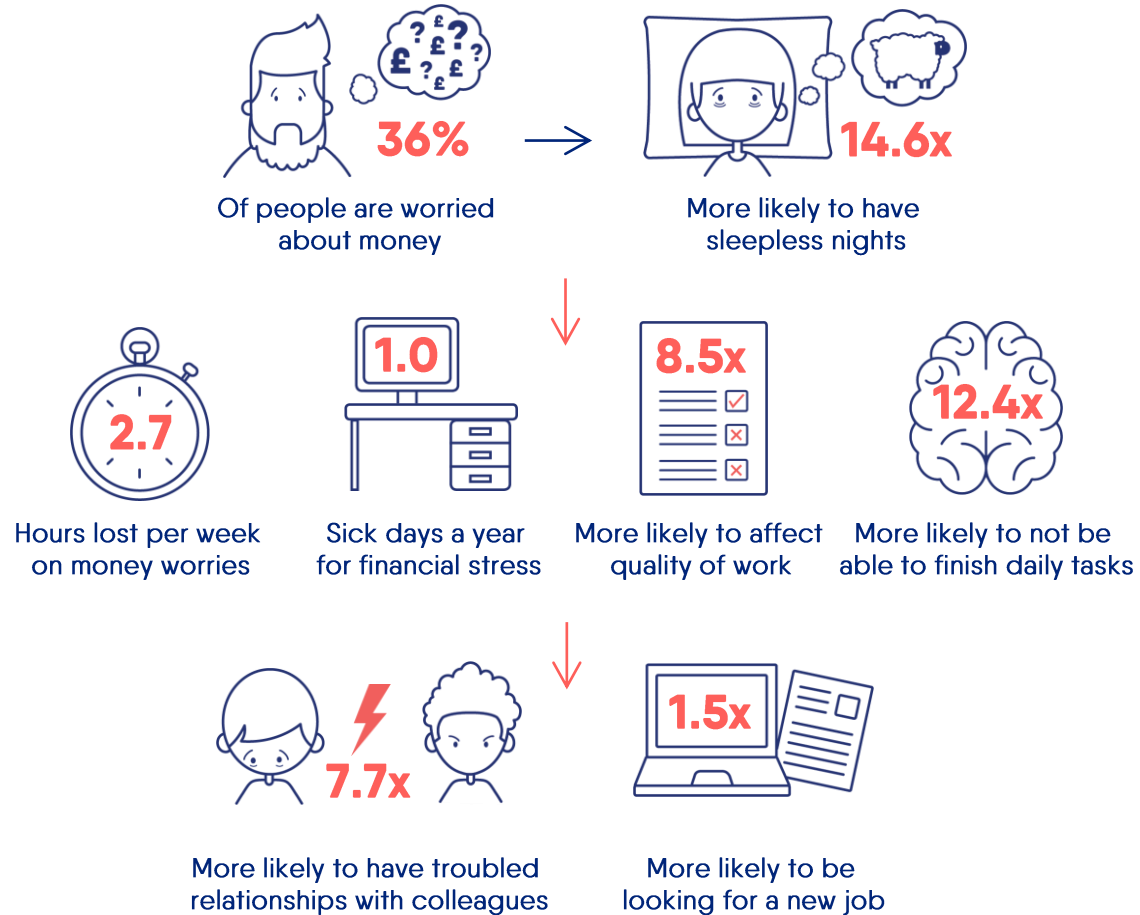
2018

Avg Salary	£27,000
Avg House Price	£214,578
Multiple	7.9x



Source: Nationwide, ONS Data

The cost of poor financial wellbeing:



THE CONSEQUENCE



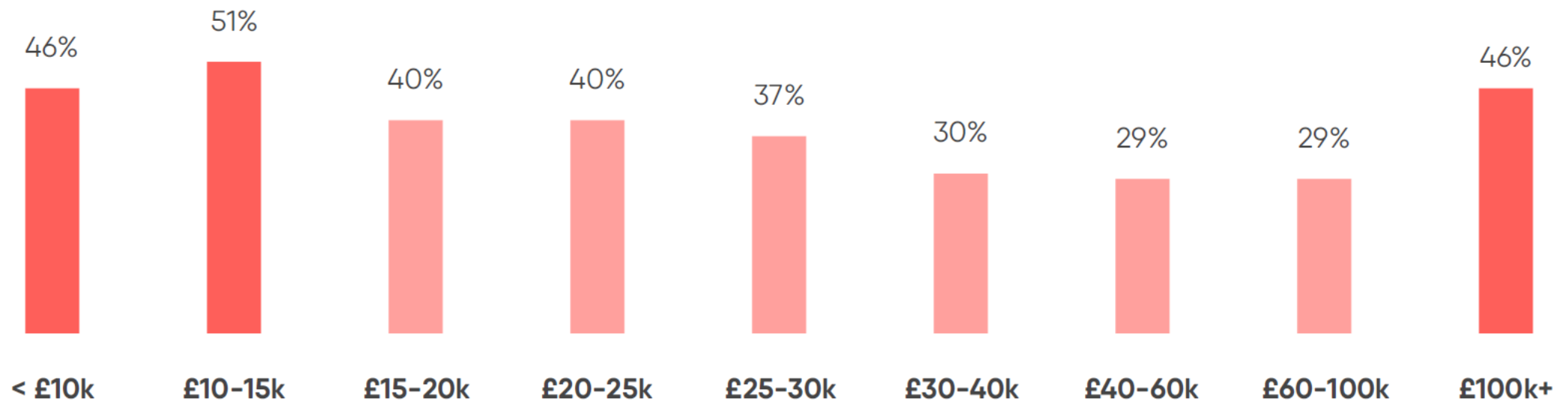
The full impact of poor employee financial wellbeing within an organisation



9-13%

of an organization's
total salary cost

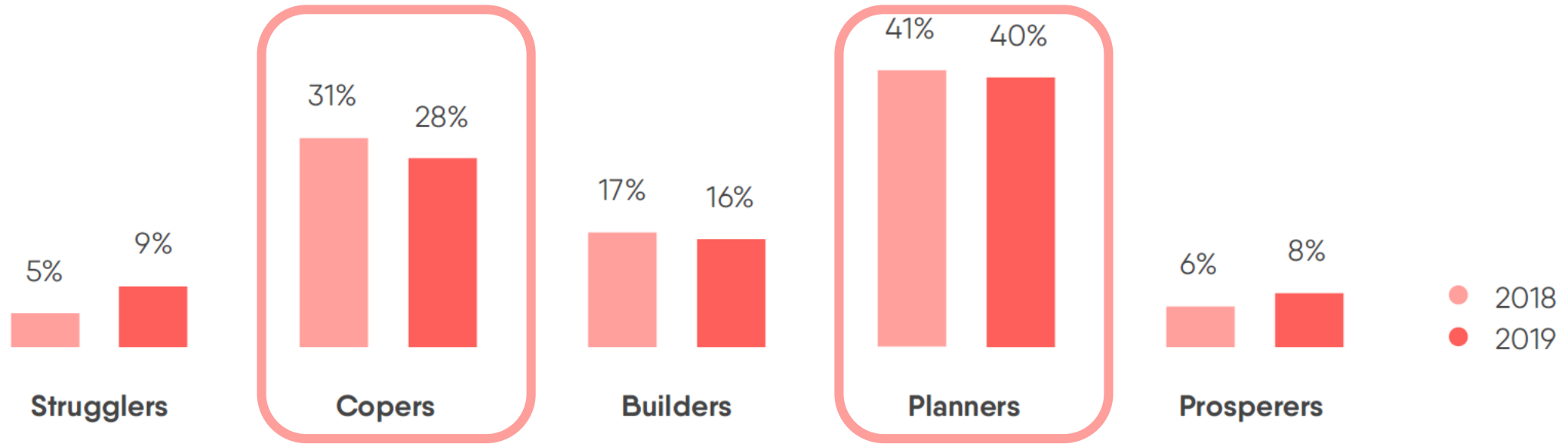
Money worries are not all about pay



The five levels of financial fitness



A TALE OF TWO WORLDS: COPERS & PLANNERS



% WORRIED ABOUT FINANCES AT EACH SCORE

89%

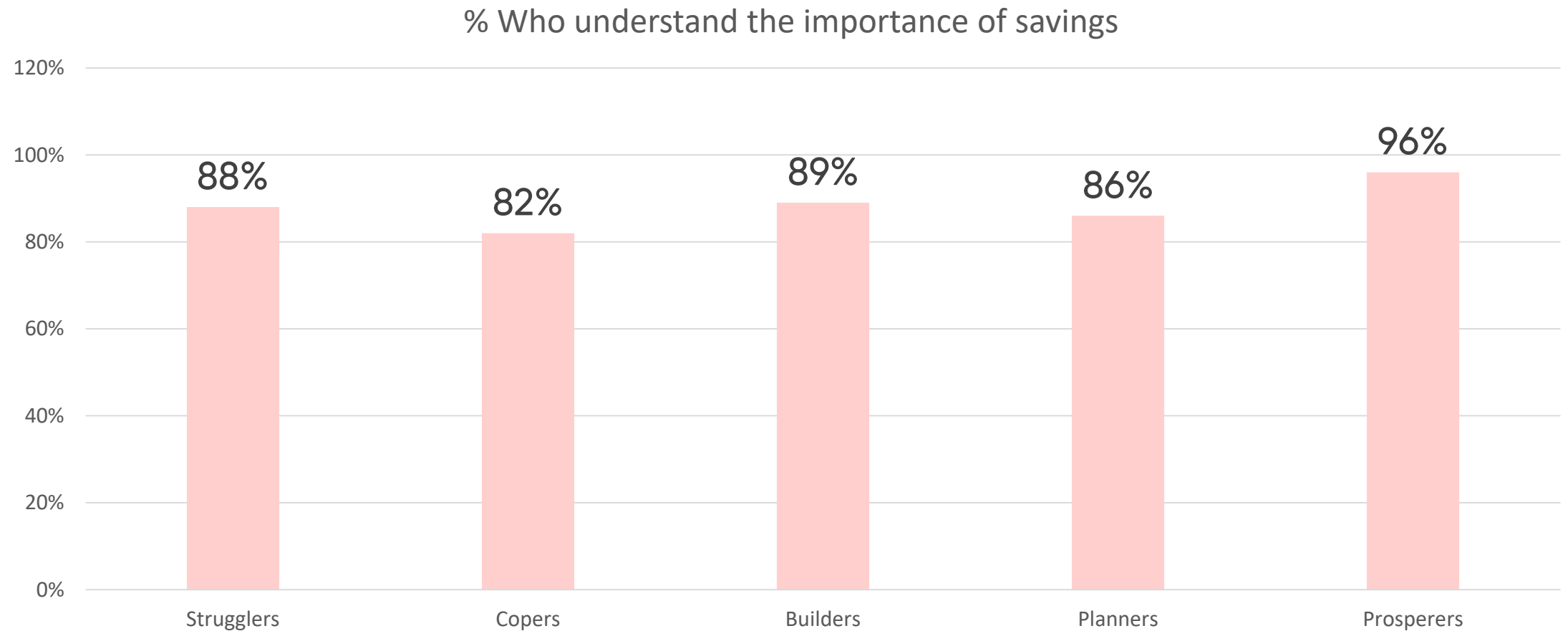
62%

21%

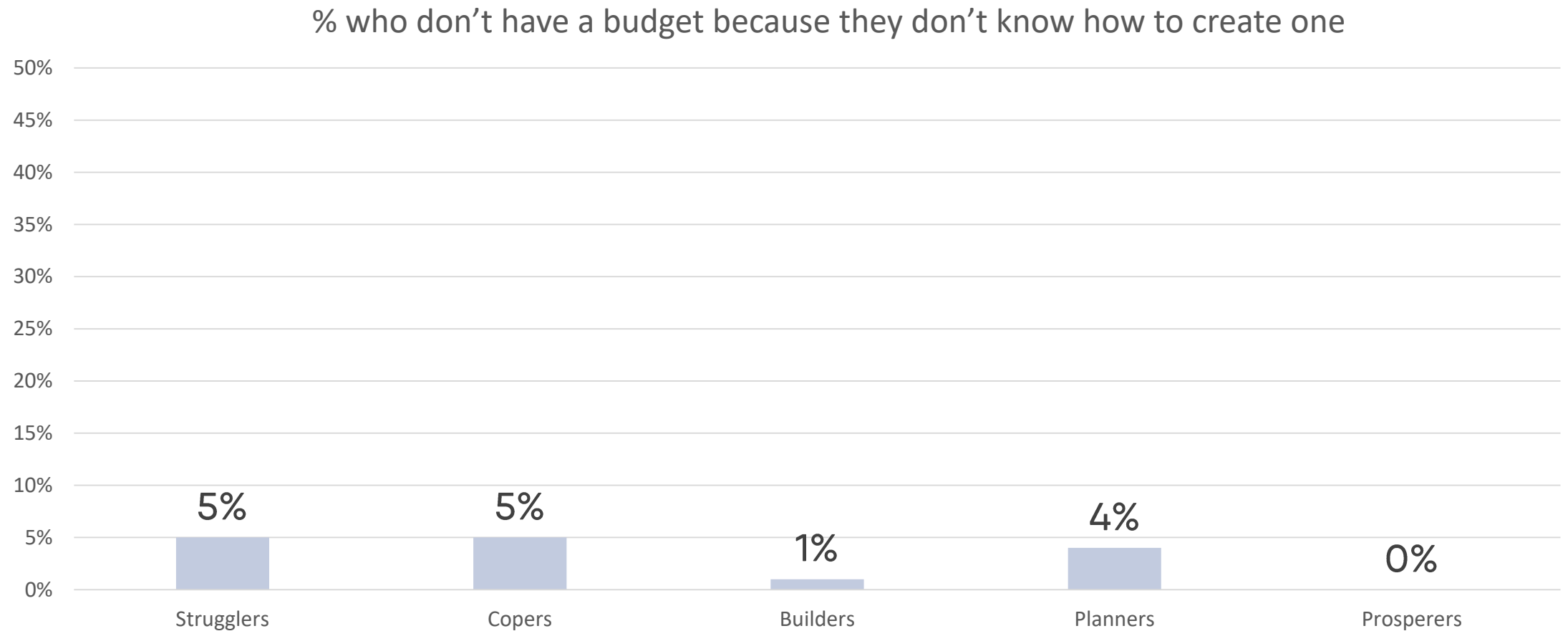
19%

6%

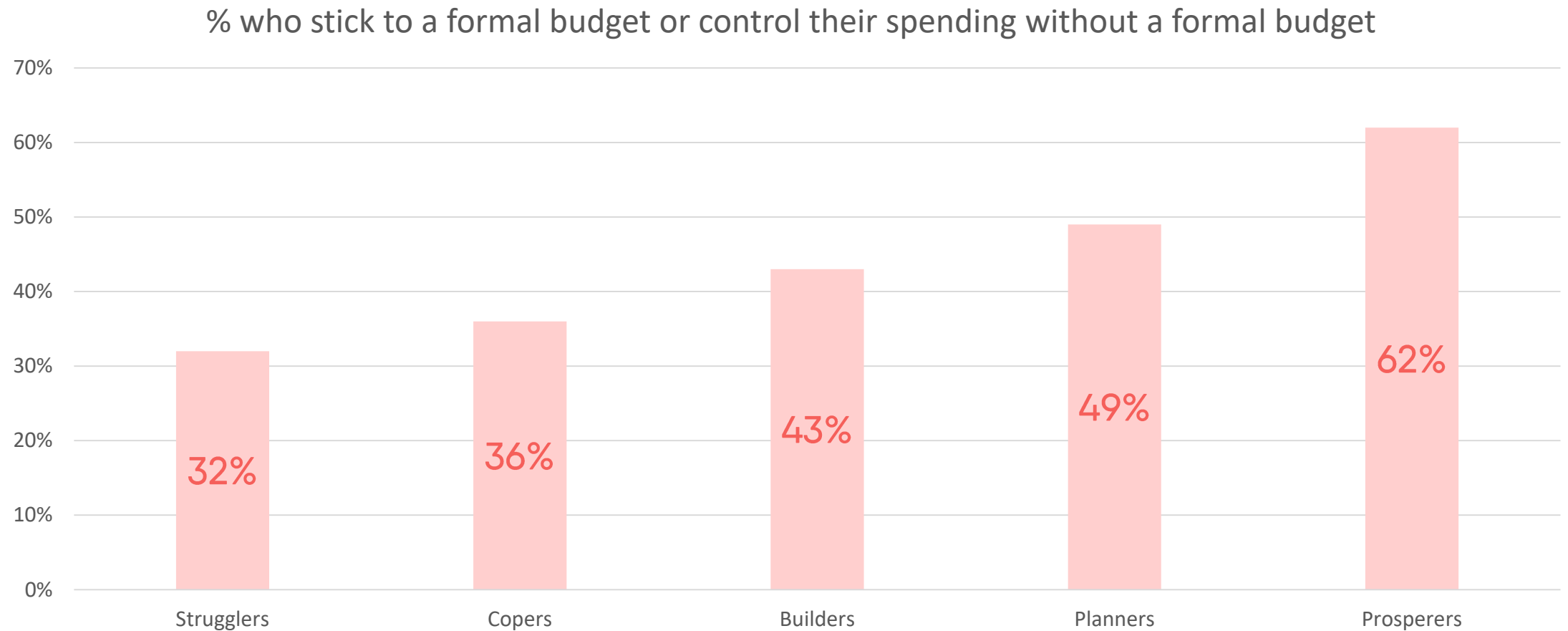
They all understand the importance of saving



And only a very few don't know how to budget !



The difference is sticking to a budget : A habit



Persistent habits over time is what creates the differences in savings

AMOUNT
SAVED A MONTH

TOTAL
SAVINGS

Copers

£91

£818

Planners

£249

£6,651

2.7x

8.1x

The difference between Copers & Planners

Copers

They spend first, save what's left over

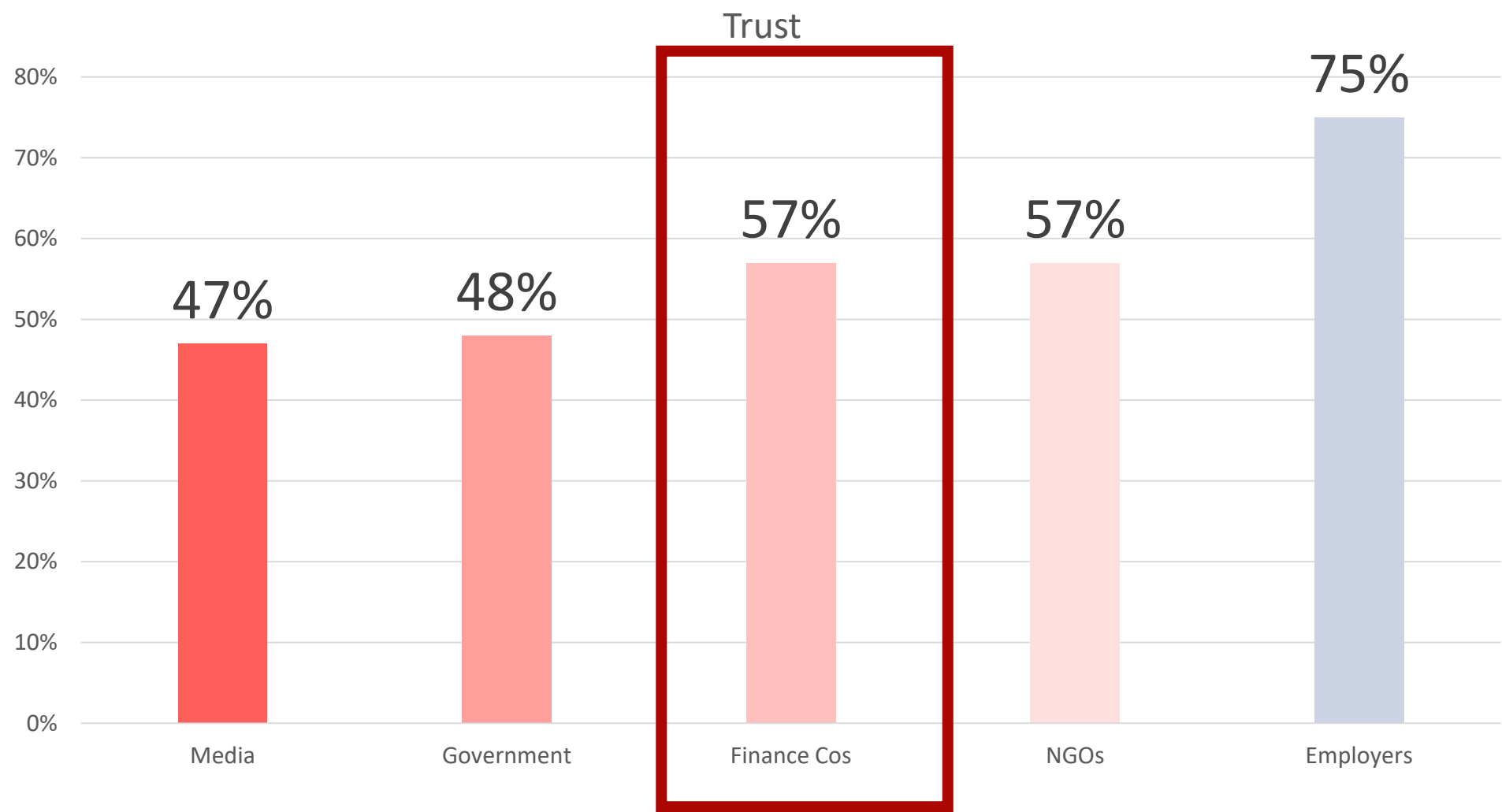
They live more in the present than in the future

Planners

They save first, spend what's left over

They live more in the future than in the present

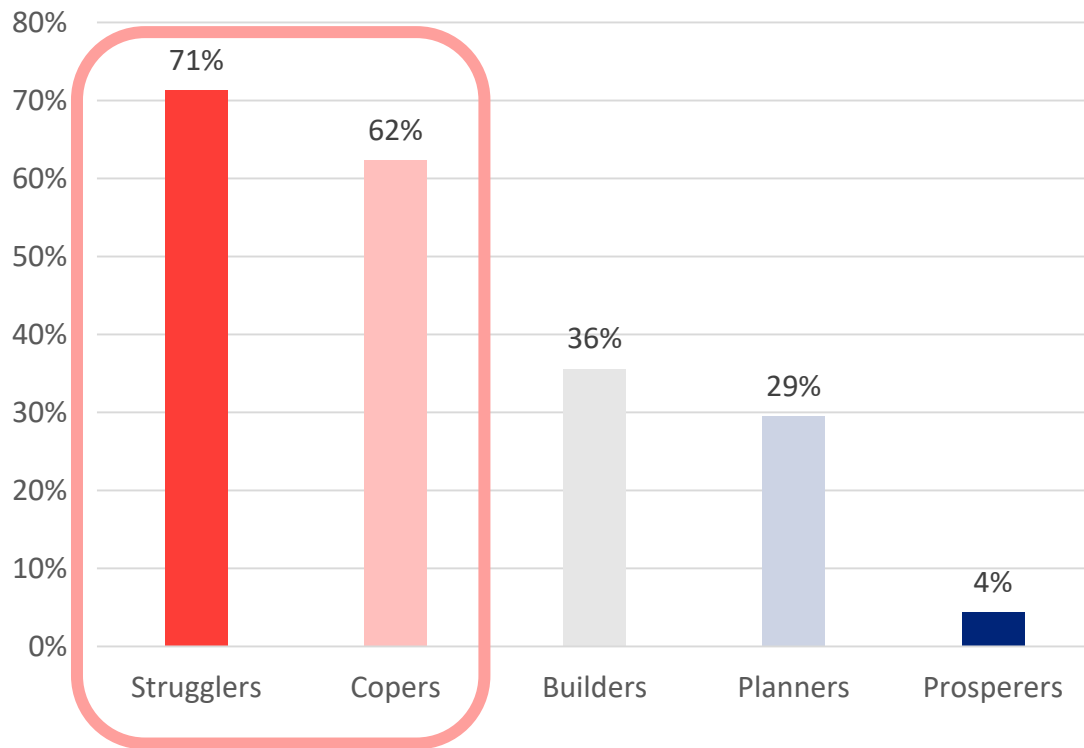
The Edelman Trust Barometer



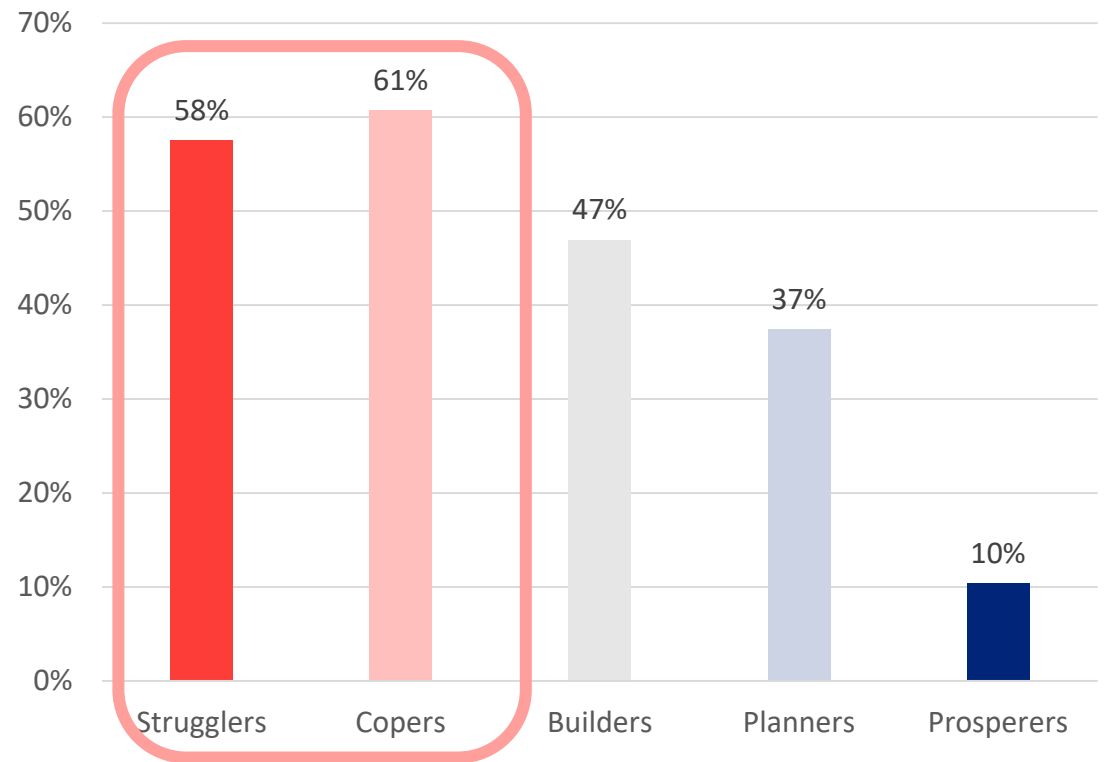
Source: 2019 Edelman Trust Barometer

Copers find finance scary and difficult to understand

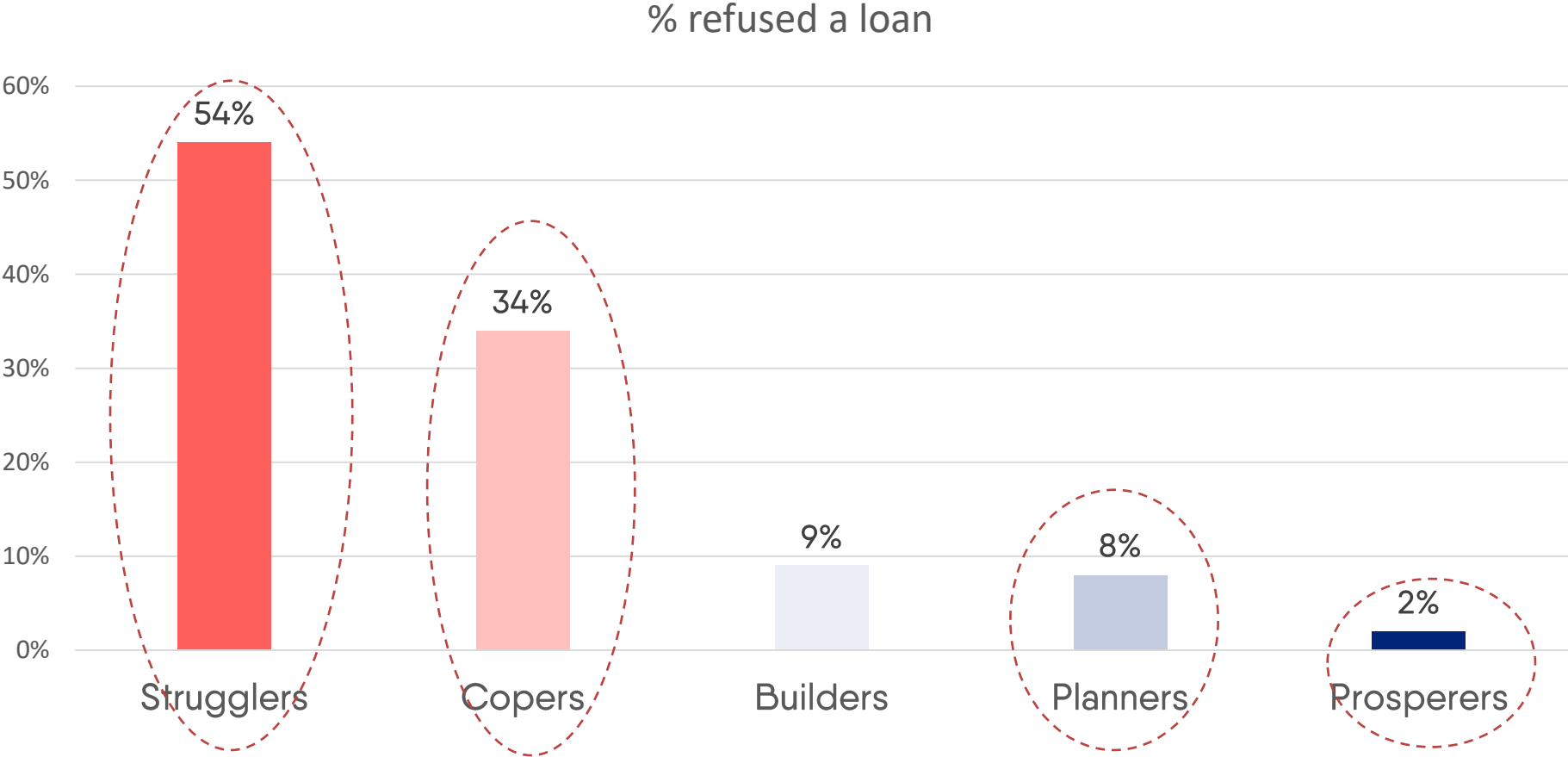
% find finance a scary topic



% who find finances difficult to interpret








...which negatively impacts their credit score and how traditional lenders perceive them



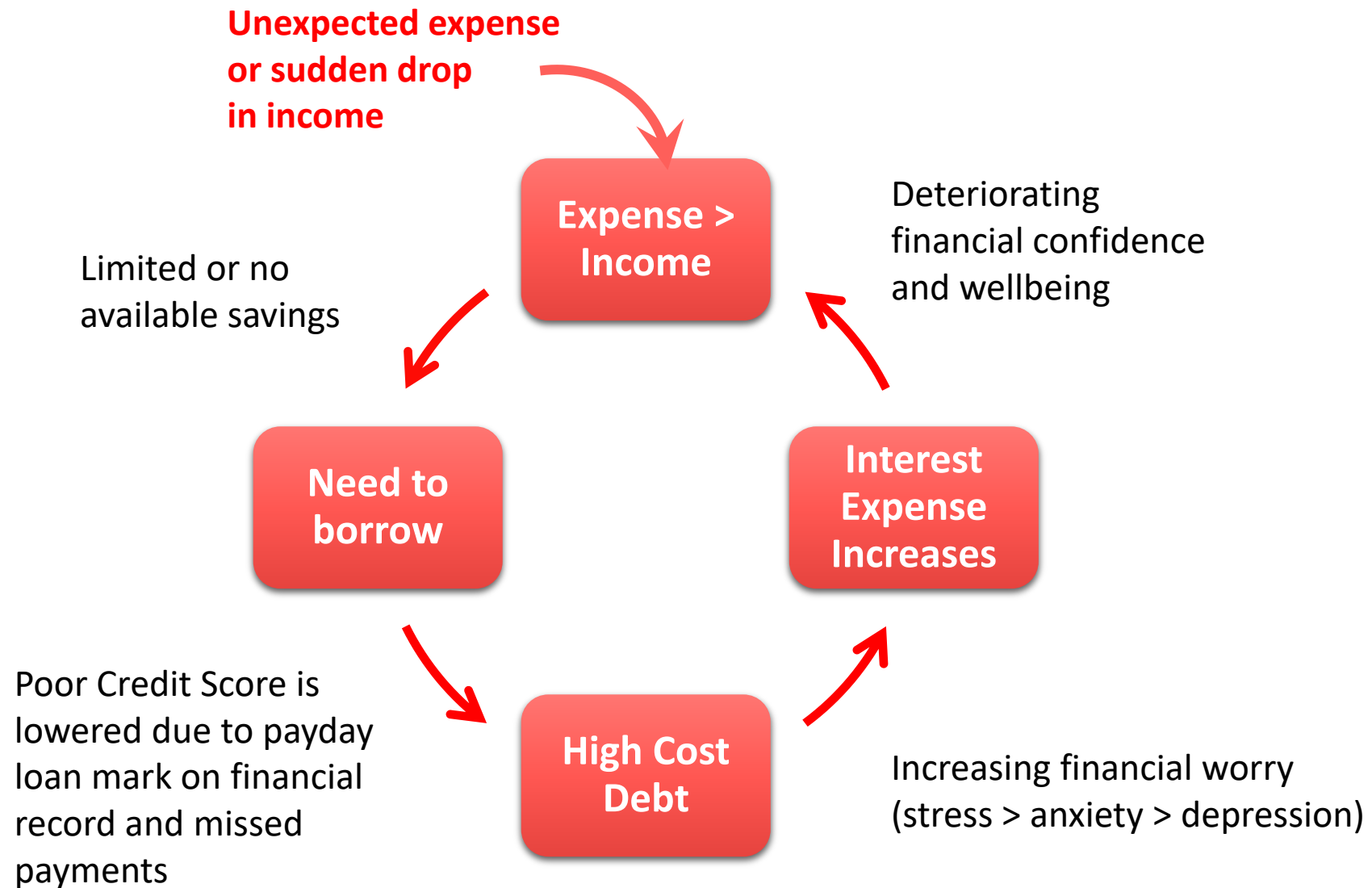
A Coper is
4x
more likely to be
refused a loan than a
Planner

A Struggler is
27x
more likely to be
refused a loan than a
Prosperer

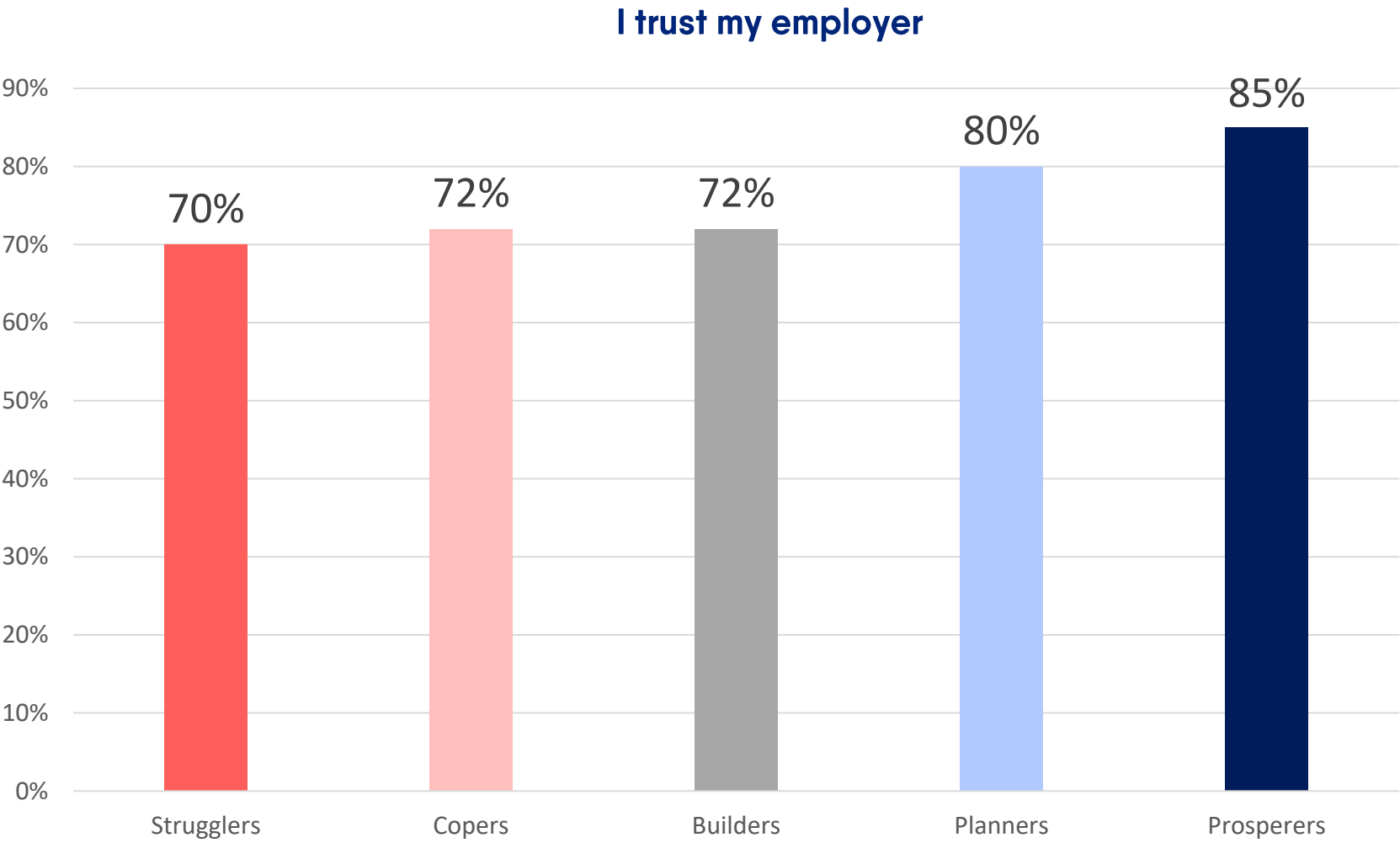
Copers & Strugglers end up paying ultra high interest

	In Financial Difficulty	Poor credit history	Below Avg credit history	Good credit history	Excellent credit history
Employee Situation	 Strugglers	 Copers	 Builders	 Planners	 Prosperers
Borrowing options	Usually Declined for Credit	Payday Lenders	Near Prime & Guarantor Loans	Credit Cards & Overdrafts	Banks
Typical APR	Vulnerable	Avg Payday Loan 1000% APR	Avg Credit Card 60% APR	Avg Credit Card 22.6% APR	Avg bank loan, £5k or less 19.9% APR

...which makes them financially vulnerable



High level of trust across all fitness scores








How salary-linked financial wellbeing benefits can help....

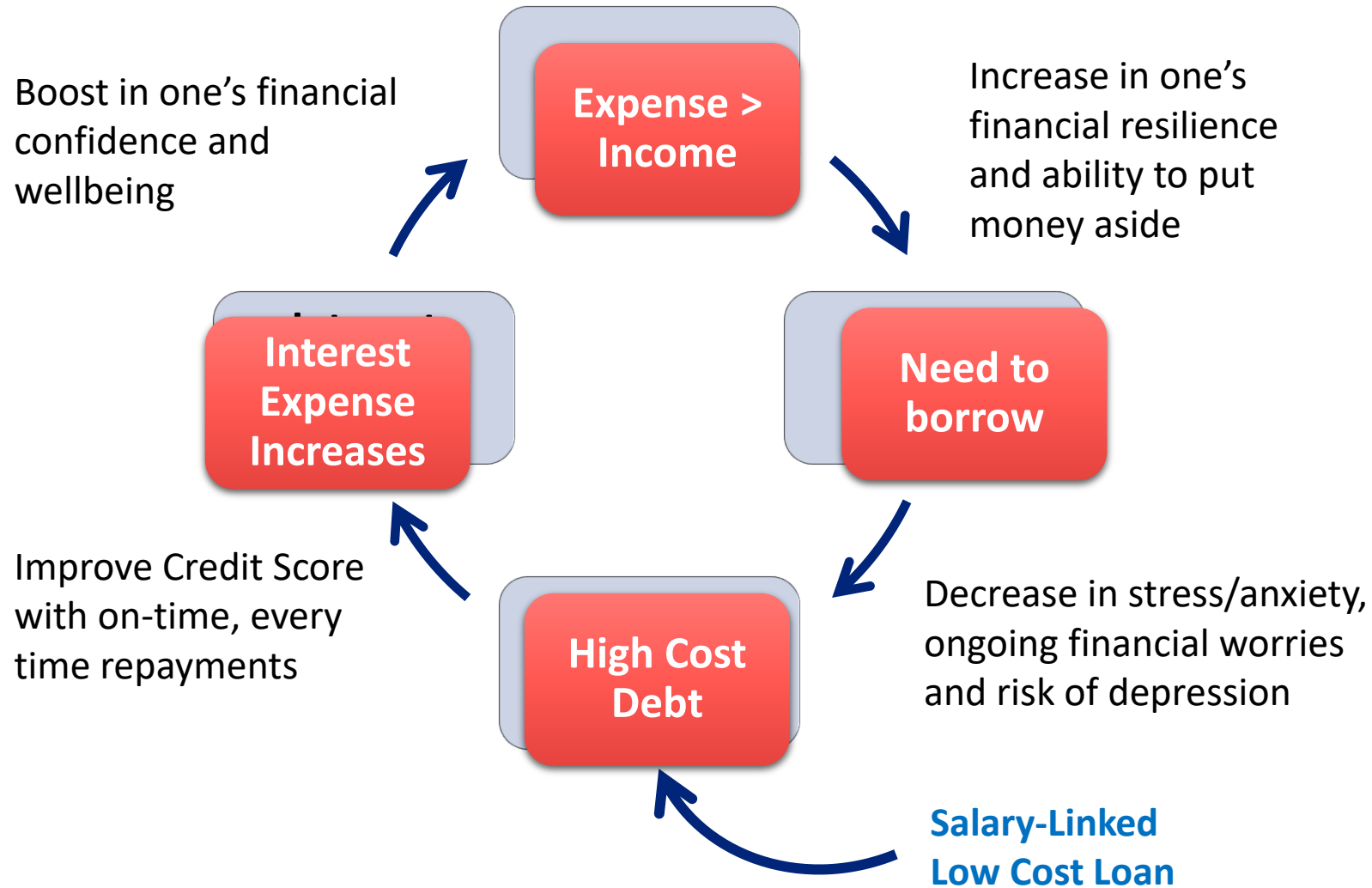
1. Salary-linked savings solutions push them to save first, and then spend what's left
2. Salary-linked can help them consolidate high-cost debt, save on interest and improve credit scores
3. Salary-linked advances help them avoid dipping into their overdrafts, resorting to payday loans or borrowing from friends/family
4. Financial education focussed on habits can then help Copers to become more like planners

**Salary-linked financial wellbeing benefits
make Copers look like Planners**

Salary-linked borrowing is a much lower cost than alternatives

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Typical SF APR	Credit Builder 19.9%	19.9%	12.9%	7.9%	3.9%

...and reverse the vicious cycle of financial insecurity



Money is the last great taboo

52%

mental health

13%

Personal finances

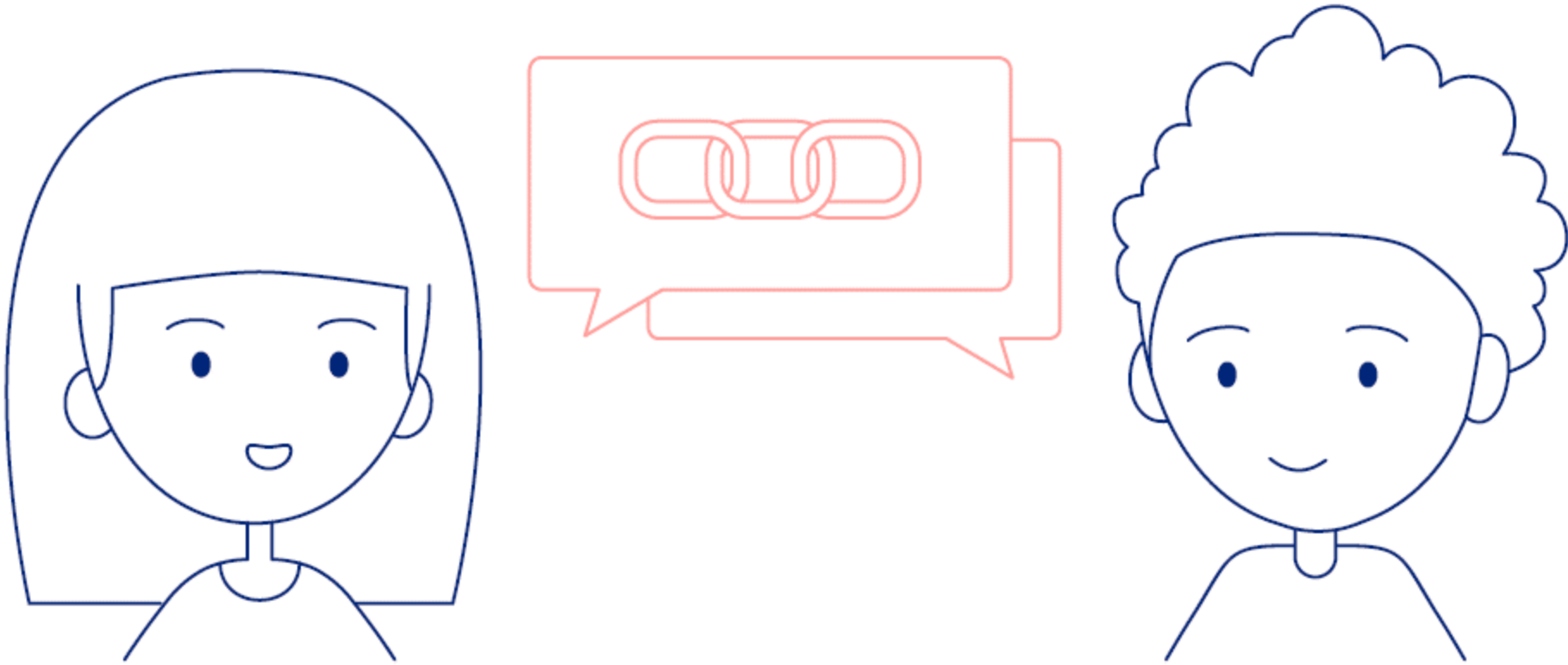
BITC mental health at work report 2019

Salary Finance – The employer's
guide to financial wellbeing

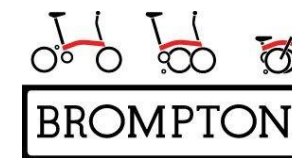
Stigma exists because of the fear of being judged



Employers needs to facilitate a culture of adult-to-adult conversations



We work with 150+ employers with 1.5million+ employees....



SALARY FINANCE

Our Thought Leadership Community includes the following organisations:



The Prince's
Responsible
Business Network



HM Revenue
& Customs

